

5 February 1982

MEMORANDUM FOR: Director of Central Intelligence

FROM:



25X1

SUBJECT: Soviet Hard Currency Crunch

1. As you noted the other day, what the Russians need is Western food, equipment, and technology. Hard currency is merely a means to this end. If the Russians are, in fact, facing a hard currency crunch, they have just two alternatives other than doing without:

- a. They can find new sources of hard currency.
- b. They can find a way to get what they need without hard currency.

2. These alternatives strike me as ones we should know more about than we do. For instance, is it realistic to anticipate that the Russians will pressure one or several cash-rich OPEC countries to help bail them out? This could be done under the guise of commercial-type trade deals, for example with the Soviet Union building a petro-chemical plant in exchange for dollars. In fact, some Soviet satellites are doing just this.

3. Alternatively, could the Russians barter for the food and equipment they need? With what, and with whom?

4. Perhaps we should launch a study of this issue. Our objective would be to determine whether the hard currency crunch that seems to be looming is likely to arrive--or whether the crunch will likely evaporate as the Russians find one or another way to get the Western goods they need.



25X1

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Rvw 5 Feb 1988

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